

Message Text

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43

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 MCT-01 DODE-00 PM-04 H-02 L-03 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 TRSE-00 /072 W

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R 131215Z SEP 76

FM AMCONSUL MILAN

TO SECSTATE WASHDC 4918

INFO AMEMBASSY ROME

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E.O. 11652: N/A

TAGS: ECEM, EINV, ELAB, IT

SUBJECT: DOW - LEPETIT

1. WORKERS STAGED ONE-DAY SIT DOWN STRIKE IN DOW-LEPETIT (SUBSIDIARY OF DOW CHEMICAL) FACTORIES IN MILAN ON SEPTEMBER 3. STRIKE WAS IN PROTEST TO FIRM'S LAYING OFF WORKERS AS PART OF CONSOLIDATION AND RESTRUCTURING EFFORT. CORREIERE DELLA SERA OF SEPTEMBER 8, COMMENTING O INCIDENT, CLAIMED THAT AS MANY AS 800 WORKERS IN MILAN WOULD EVENTUALLY LOSE JOBS.

2. DOW OFFICIALS IN MILAN HAVE TOLD US THAT FIRM IS, IN FACT, ATTEMPTING TO BRING WORK FORCE DOWN BY 1000-TO ABOUT 3300 - BY END OF OCTOBER, 1976. LAY OFF HAS NOT, HOWEVER, INVOLVED INVOLUNTARY DISMISSALS BUT RATHER IS BEING ACCOMPLISHED THROUGH ATTRITION AND OFFERS LARGE SEVERANCE INCENTIVES OF ABOUT FIVE MILLION LIRE (\$6,000) TO THOSE WHO VOLUNTARILY LEAVE DOW-LEPETIT. FIRM HAS BEEN SUCCESSFUL IN THAT ONLY ABOUT 300 WORKERS STILL NEED TO LEAVE FIRM TO REACH OCTOBER GOAL.

3. DOW-LEPETIT HAS HAD BAD PUBLICITY AND OPPOSITION TO IS LABOR REDUCTION DESPITE FACT THAT THOSE LEAVING
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HAVE GOONE "VOLUNTARILY". FURTHER UNION AGITATION

IS EXPECTED THROUGH END OF OCTOBER ALTHOUGH
FIRM DOES NOT ANTICIPATE ANY SERIOUS UNION CONFLICT.

4. WORK FORCE REDUCTION IS CONSIDERED ESSENTIAL BY FIRM
ESPECIALLY IN LIGHT OF ITALIAN GOVERNMENT PRICE CONTROLS
ON PHARMACEUTICAL PRODUCTS. ALTHOUGH FIRM IS NOW
OPERATING PROFITABLY, CURRENT REDUCTION, FIRM CLAIMS,
WILL SOLIDIFY COMPANY'S PROFIT PORTION.FINA

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